

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

AMY MATCHISON (CABN 217022)
Trial Attorney
United States Department of Justice, Tax Division
P.O. Box 683, Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 307-6422
Fax: (202) 307-0054
E-mail: Amy.T.Matchison@usdoj.gov
Western.Taxcivil@usdoj.gov

DAVID L. ANDERSON
United States Attorney
450 Golden Gate Avenue, 11th Floor
San Francisco, California 94102

Attorneys for United States of America

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)	Case No. 3:19-cv-6890
)	
Plaintiff,)	COMPLAINT
)	
v.)	
)	
PETER KLAPPER,)	
)	
Defendant.)	

Plaintiff, the United States of America, brings this action to collect unpaid federal penalty assessments and interest as provided by law, and to reduce those assessments to judgment. Additionally, the United States intends to proceed under the Federal Debt Collection Practices Act (28 U.S.C. § 3001 et seq.) to collect any judgment it obtains in this case, including the use of all appropriate pre-judgment remedies, post-judgment remedies, and the additional surcharge as authorized by 28 U.S.C. § 3011. In support of this action, the United States complains and alleges as follows:

INTRODUCTION

1. This is a timely civil action brought by the United States to collect the outstanding unpaid civil penalty assessments (31 U.S.C. § 5321(a)(5)), commonly known as FBAR penalties, made against

1 defendant Peter Klapper for his failure to report his interest in foreign bank accounts, as required by 31
2 U.S.C. § 5314 and the implementing regulations promulgated thereunder.

3 2. This action is brought with the authorization of the Secretary of the Treasury (31 U.S.C. §
4 3711(g)(4)(C)) and at the direction of the Attorney General of the United States.

5 **DEFENDANTS**

6 3. Defendant Peter Klapper is a United States citizen, who currently resides in Sonoma
7 County, California. Mr. Klapper has resided in Sonoma County since 2012.

8 **JURISDICTION AND VENUE**

9 4. Jurisdiction over this action is conferred upon this district court by 28 U.S.C. §§ 1331,
10 1345 and 1355.

11 5. Venue properly lies in the Northern District of California under 28 U.S.C. § 1391(b)(1)
12 because Mr. Klapper resides within the judicial district.

13 **INTRADISTRICT ASSIGNMENT**

14 6. Mr. Klapper resides in Sonoma County; accordingly, this action can be assigned to the
15 San Francisco or Oakland Division.

16 **FOREIGN BANK OR OTHER FINANCIAL ACCOUNTS**

17 7. 31 U.S.C. § 5314 authorizes the Secretary of the Treasury to require United States
18 persons to report certain transactions with foreign financial agencies. Under the statute's implementing
19 regulations, "[e]ach United States person having a financial interest in, or signature authority over, a
20 bank, securities, or other financial account in a foreign country shall report such relationship" to the
21 Internal Revenue Service ("IRS") for each year in which such relationship exists. 31 C.F.R. §
22 1010.350(a).

23 8. To fulfill this requirement, a person must file a Form TD F 90-22.1, "Report of Foreign
24 Bank and Financial Accounts," commonly known as an "FBAR." For the calendar years at issue, an
25 FBAR was due by June 30 "of each calendar year with respect to foreign financial accounts exceeding
26 \$10,000 maintained during the previous calendar year." 31 C.F.R. § 1010.306(c).

27 9. 31 U.S.C. § 5321(a)(5) provides for the imposition of civil penalties for failure to comply
28 with the reporting requirements of 31 U.S.C. § 5314.

10. Defendant had a financial interest in at least 11 foreign bank accounts, in several countries, during at least years 2010 and 2011, as described below:

Country	Bank	Account Number
Luxembourg	Banque Invik	XXXXXX4-0.00 (EUR)
		XXXXXX4 0.00 (GBP)
		XXXXXX4 0.00 (USD)
Panama	CreditCorp Bank S.A.	XXXXXX-XX-XX7330
Bermuda	MUFG Fund Service	XX5401 (USD)
		XX6501 (USD)
		XX5401 (GBP)
		XX5401 (EUR)
Bermuda	The Bank of N.T. Butterfield & Son Limited	XXXXXX-XXX-XXXX2-100
Thailand	The Siam Commercial Bank Public Company Limited	XXX-XXX295-3
		XXX-XXX295-3

11. For each of the years 2010 and 2011, the aggregate balance in the accounts listed in paragraph 10 above, exceeded \$10,000 in U.S. currency.

12. Defendant was required by law to file FBARs reporting his financial interest in the accounts listed in paragraph 10 above, for the years 2010 and 2011, as well as any other year that satisfied the FBAR reporting requirements.

13. On July 14, 2016, Defendant tardily filed FBARs for the 2010 and 2011 years.

CLAIM FOR RELIEF: JUDGMENT FOR CIVIL PENALTIES (31 U.S.C. § 5321(a)(5))

Liability for Civil Penalties

14. During the years 2010 and 2011, defendant Peter Klapper was a United States person within the meaning of 31 C.F.R. § 1010.350(b).

15. During the years 2010 and 2011, defendant had a financial interest, within the meaning of 31 C.F.R. § 1010.350(e), over the accounts described in paragraph 10 above.

16. The accounts described in paragraph 10 above are each a bank account in a foreign country.

17. During the years 2010 and 2011, the aggregate balance in all bank accounts exceeded \$10,000.

1 18. Defendant failed to file an FBAR with regard to the 2010 and 2011 years, by the
2 applicable deadline, as required by 31 U.S.C. § 5314 and 31 C.F.R. § 1010.306(c).

3 ***Assessment and Collection of the Civil Penalties***

4 19. On or about January 15, 2018, defendant executed Form 13449, Agreement to
5 Assessment and Collection of Penalties Under 31 USC 5321(a)(5) and 5321(a)(6), consenting to the
6 immediate assessment and collection of civil penalties in the total amount of \$161,230.

7 20. On about February 14, 2018, a delegate of the Secretary of the Treasury timely assessed
8 civil penalties against Peter Klapper in the total amount of \$161,230, due to his non-willful failure to
9 timely file FBARs to disclose his accounts to the IRS for the years 2010 and 2011.

10 21. A delegate of the Secretary of Treasury sent a notice of the assessments and demand for
11 payment to defendant for the FBAR penalties at defendant's last known address.

12 22. In addition to the FBAR penalties, defendant owes late-payment penalties pursuant to 31
13 U.S.C. § 3717(e)(2), and interest pursuant to 31 U.S.C. § 3717(a), and applicable collection related fees
14 pursuant to 31 U.S.C. § 3717(e)(1).

15 23. As of February 1, 2019, the unpaid balance owed to the United States by defendant for
16 the FBAR penalties, the late payment penalties, applicable fees and interest, less any payments, was
17 \$172,061.12.

18 24. The United States is entitled to a judgment against defendant in the amount of
19 \$172,061.12 as of February 1, 2019, plus statutory accruals as provided by law from that date until fully
20 paid.

21 WHEREFORE, the United States requests that the Court:

22 A. Enter judgment in favor of the United States of America and against Peter Klapper in the
23 amount of \$172,061.12 as of February 1, 2019, plus statutory accruals from that date until fully
24 paid; and

25 B. Award the United States of America its costs, and such other further relief as the Court
26 deems just and proper.

1 Dated this 23rd day of October, 2019

2 RICHARD E. ZUCKERMAN
3 Principal Deputy Assistant Attorney General

4 /s/ Amy Matchison
5 AMY MATCHISON
6 Trial Attorney, Tax Division
7 United States Department of Justice
8 P.O. Box 683, Ben Franklin Station
9 Washington, D.C. 20044
10 Telephone: (202) 305-4929
11 Email: Amy.T.Matchison@usdoj.gov
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CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*

DEFENDANTS

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

1 U.S. Government Plaintiff 3 Federal Question
(U.S. Government Not a Party)

2 U.S. Government Defendant 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*

	PTF	DEF		PTF	DEF
Citizen of This State	1	1	Incorporated <i>or</i> Principal Place of Business In This State	4	4
Citizen of Another State	2	2	Incorporated <i>and</i> Principal Place of Business In Another State	5	5
Citizen or Subject of a Foreign Country	3	3	Foreign Nation	6	6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment Of Veteran's Benefits 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury -Medical Malpractice CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities-- Employment 446 Amer. w/Disabilities--Other 448 Education	PERSONAL INJURY 365 Personal Injury -- Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability PRISONER PETITIONS HABEAS CORPUS 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty OTHER 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee-- Conditions of Confinement	625 Drug Related Seizure of Property 21 USC § 881 690 Other LABOR 710 Fair Labor Standards Act 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Employee Retirement Income Security Act IMMIGRATION 462 Naturalization Application 465 Other Immigration Actions	422 Appeal 28 USC § 158 423 Withdrawal 28 USC § 157 PROPERTY RIGHTS 820 Copyrights 830 Patent 835 Patent--Abbreviated New Drug Application 840 Trademark SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS--Third Party 26 USC § 7609	375 False Claims Act 376 Qui Tam (31 USC § 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced & Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commodities/ Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes

V. ORIGIN *(Place an "X" in One Box Only)*
1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District *(specify)* 6 Multidistrict Litigation--Transfer 8 Multidistrict Litigation--Direct File

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing *(Do not cite jurisdictional statutes unless diversity):*

Brief description of cause:

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY *(See instructions):* JUDGE DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)
(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE SIGNATURE OF ATTORNEY OF RECORD

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
 - c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket.
- Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.